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**Governor: New Mine at Bull Mountain, 35% Increase in Montana Coal Output,
Better Energy Future for Montana**

(HELENA) - Today, Governor Brian Schweitzer announced that there will be a new mining operation opening at Bull Mountain near Roundup. Bull Mountain will be Montana's only underground mine and one of the most significant contiguous coal reserves in the United States. The new mine is poised to be the most productive single long-wall mining operation in the nation, with an estimated 15 million tons of coal produced per year.

Boich Companies has entered in to a joint venture with a FirstEnergy subsidiary to acquire a majority stake at Bull Mountain located near Roundup, Montana. "After numerous discussions with Boich Company, I am pleased to see this important project come to fruition with such quality investors," said Governor Brian Schweitzer, "This mine is the first new mine of its kind in 30 years in Montana and will bring a large number of high quality jobs and a strong overall economic impact to the local, regional and state economy. It also is another step in the right direction to securing America's energy future."

In a statement from Boich Companies, Executive Officer Wayne M. Boich said, "We are very pleased to announce the formation of this joint venture with FirstEnergy. We are looking forward to providing good jobs and being part of the community in Musselshell and Yellowstone Counties. From the first time we discussed Bull Mountain with Governor Schweitzer it was clear to us that we wanted to do business in Montana. The Governor impressed upon us early on how important this mine was to the local community and Montana. This project would not have happened without the Governor's support."

As part of the transaction, FirstEnergy has entered into a 15-year agreement to purchase up to 10 million tons of coal per year from the mine, part of total mine production that is anticipated to be 15 million tons per year. "That level of production at the new Bull Mountain long-wall mining operation will be a 35% increase in Montana's total current coal output," the Governor said.

According to the companies, the estimated cost to fully develop the mine is \$450 million, including a new coal preparation plant, and the costs associated with constructing a 35-mile rail spur to the Burlington Northern Santa Fe railway line near Broadview.

Under an acquisition and development agreement between the Boich Companies and FirstEnergy, the joint venture will acquire 80 percent of Bull Mountain and 100 percent

of the Rail operations. Boich Companies will own a 55 percent interest and a FirstEnergy subsidiary will own a 45 percent interest. After 18 months, the joint venture between the two companies will have the option to acquire the remaining 20 percent.

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